
**THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2017**





INDEPENDENT AUDITORS' REPORT

To the Registrants of:
The College of Midwives of British Columbia

We have audited the accompanying financial statements of The College of Midwives of British Columbia which comprise the statement of financial position as at March 31, 2017, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The College of Midwives of British Columbia as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

July 4, 2017

THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 1,479,465	\$ 1,235,730
Accounts receivable	1,764	14,876
Prepaid expenses	2,731	6,686
	<u>1,483,960</u>	<u>1,257,292</u>
TANGIBLE AND INTANGIBLE CAPITAL ASSETS (Note 4)	80,980	87,900
PREPAID RENT EXPENSE	5,216	5,216
	<u>\$ 1,570,156</u>	<u>\$ 1,350,408</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 41,349	\$ 33,635
Deferred revenue (Note 5)	726,064	651,825
	<u>767,413</u>	<u>685,460</u>
COMMITMENTS (Note 6)		
NET ASSETS		
UNRESTRICTED	94,573	121,095
INTERNALLY RESTRICTED	536,227	629,175
CANADIAN MIDWIFERY REGISTRATION EXAMINATION FUND	171,943	117,626
ASSESSMENT FUND	-	(202,948)
	<u>802,743</u>	<u>664,948</u>
	<u>\$ 1,570,156</u>	<u>\$ 1,350,408</u>

Approved by the Board:

_____ Director

_____ Director



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2017

					2017	2016
	Unrestricted	Internally Restricted	Canadian Midwifery Registration Examination Fund	Assessment Fund	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 121,095	\$ 629,175	\$ 117,626	\$ (202,948)	\$ 664,948	\$ 511,882
Excess of revenue over expenses	84,478	-	53,317	-	137,795	153,066
Fund transfers	(111,000)	(92,948)	1,000	202,948	-	-
BALANCE, END OF YEAR	\$ 94,573	\$ 536,227	\$ 171,943	\$ -	\$ 802,743	\$ 664,948



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Registration fees	\$ 659,953	\$ 579,712
Grant - Ministry of Health BC	120,000	160,000
Application fees, rent, interest and other	38,509	43,124
	818,462	782,836
PERSONNEL COSTS		
Salaries and benefits	452,433	450,029
Travel, professional development and other	12,832	5,807
	465,265	455,836
BOARD AND COMMITTEE EXPENSES (Note 7)	44,588	26,956
OPERATING EXPENSES		
Rent and utilities	65,168	64,545
Bank charges and interest	18,351	28,584
Library, exam marking, members' meeting and other	6,516	19,025
Amortization	19,514	13,643
Communications	10,585	13,369
Office expenses and small equipment	10,023	9,744
Systems	26,996	8,392
	157,153	157,302
LEGAL, PROFESSIONAL AND INSURANCE		
Membership, CMRC travel and HPRB review	20,425	19,961
Projects	15,334	7,902
Accounting and audit	10,754	7,258
Legal	12,517	6,161
Insurance	5,353	5,797
Training and investigations	2,595	3,288
	66,978	50,367
	733,984	690,461
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	84,478	92,375
CANADIAN MIDWIFERY REGISTRATION EXAMINATION		
Revenue	98,938	105,688
Exam administration	(31,275)	(29,091)
Project costs	(11,138)	(12,148)
Exam content renewal	(3,208)	(3,758)
	53,317	60,691
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 137,795	\$ 153,066



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year		
Operations	\$ 84,478	\$ 92,375
Canadian Midwifery Registration Examination	53,317	60,691
	137,795	153,066
Items not involving cash:		
Amortization	19,514	13,643
	157,309	166,709
Change in non-cash working capital items:		
Accounts receivable	13,112	(12,319)
Prepaid expenses	3,955	6,443
Accounts payable and accrued liabilities	7,714	(3,504)
Deferred revenue	74,239	565,252
	256,329	722,581
INVESTING ACTIVITY		
Purchase of tangible and intangible capital assets	(12,594)	(79,264)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR		
	243,735	643,317
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,235,730	592,413
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,479,465	\$ 1,235,730



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

PURPOSE OF THE ORGANIZATION

The College of Midwives of British Columbia ("CMBC") was established in March of 1995, following approval of the practice of midwifery as a designated Health Profession under the Health Professions Act. CMBC is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

CMBC's responsibilities include regulating the profession of midwifery and protecting the public by developing a code of ethics, reviewing complaints, and setting standards of practice, education, and qualifications for registration.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Financial instruments

i) Measurement

CMBC's financial instruments consist of cash and equivalents, accounts receivable and accounts payable. CMBC initially measures all its financial assets and liabilities at fair value. CMBC subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

b) Cash and equivalents

Cash and equivalents consist of cash on deposit and short-term deposits which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Tangible and intangible capital assets

Tangible and intangible capital assets are recorded at historical cost and amortized over their estimated useful lives applying the declining balance method at the following annual rates:

Computer equipment	30%
Information system	20%
Equipment	20%

CMBC monitors the recoverability of tangible and intangible capital assets based on their long-term service potential. When a tangible or intangible capital asset no longer has any long-term service potential to CMBC, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

d) Revenue recognition

CMBC follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Registration fees are recognized as revenue in the year to which they relate.

Deferred revenue represents restricted funding received that is related to a subsequent period. Restricted funding for the purchase of capital assets that will be amortized is deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

e) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for computing amortization, the amounts recorded as accrued liabilities, and the recognition of deferred revenue.



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

2. FUNDS, PROGRAMS AND PROJECTS

CMBC presents its financial statements using fund accounting. The three main funds presented are the Operations Fund, Canadian Midwifery Registration Examination Fund ("CMRE") and Assessment Program Fund. Further divisions within each fund are explained in the fund descriptions provided below.

a) Operations Fund

The Operations Fund encompasses all of the activities of CMBC except for CMRE and the Assessment Program. The net assets of the Operations Fund have been invested in capital assets and reserved into internally restricted funds which further classify into adjudicative disciplinary, adjudicative review, aboriginal and quality assurance program to deal with different needs and activities.

Net assets in excess of the amounts internally restricted for specific purposes and as described in (b) and (c) below are presented as unrestricted.

b) Canadian Midwifery Registration Examination Fund

CMBC manages, maintains and provides financial oversight of the CMRE on behalf of the Canadian Midwifery Regulators Council.

c) Assessment Program Fund

The Assessment Program was developed primarily to support the assessment of internationally-educated midwives. The deficit related to this program has accumulated since April 2005, reached its current level in March 2010 and continued to be tracked as a separate component of CMBC's net assets until March 2017 when it was decided to eliminate the deficit by drawing the required amounts from the unrestricted and internally restricted funds. After the deficit was eliminated, the Assessment Program Fund was closed.

3. FINANCIAL INSTRUMENTS RISKS

CMBC's financial instruments are described in Note 1(a). In management's opinion, CMBC is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks. In addition, CMBC is not exposed to any material concentrations of risk and there has been no change in risk exposures from the prior year.

4. TANGIBLE AND INTANGIBLE CAPITAL ASSETS

			2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value	Net Book Value
Computer equipment	\$ 23,636	\$ 17,665	\$ 5,971	\$ 8,824		
Information system	86,720	21,932	64,788	66,300		
Equipment	54,469	44,248	10,221	12,776		
	\$ 164,825	\$ 83,845	\$ 80,980	\$ 87,900		



THE COLLEGE OF MIDWIVES OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

5. DEFERRED REVENUE

	2017	2016
Balance, beginning of year	\$ 651,825	\$ 86,573
Cash received	726,064	651,825
Amount recognized as revenue	(651,825)	(86,573)
	\$ 726,064	\$ 651,825

6. COMMITMENTS

CMBC rents its premises under a long-term lease, which expires April 30, 2020. The minimum lease payments excluding operating costs during the next four years are anticipated to be as follows:

2018	\$ 36,600
2019	39,745
2020	40,031
2021	3,336

7. BOARD AND COMMITTEE EXPENSES

	2017	2016
Board and Executive	\$ 31,073	\$ 18,280
Inquiry	8,605	5,819
Quality Assurance	1,601	1,013
Aboriginal	240	699
Standards of Practice	2,111	687
Registration	958	458
	\$ 44,588	\$ 26,956

